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Five-Year Implementation Strategy

FY 2002-2007

Adopted May 28, 2002 : Resolution 2002-127

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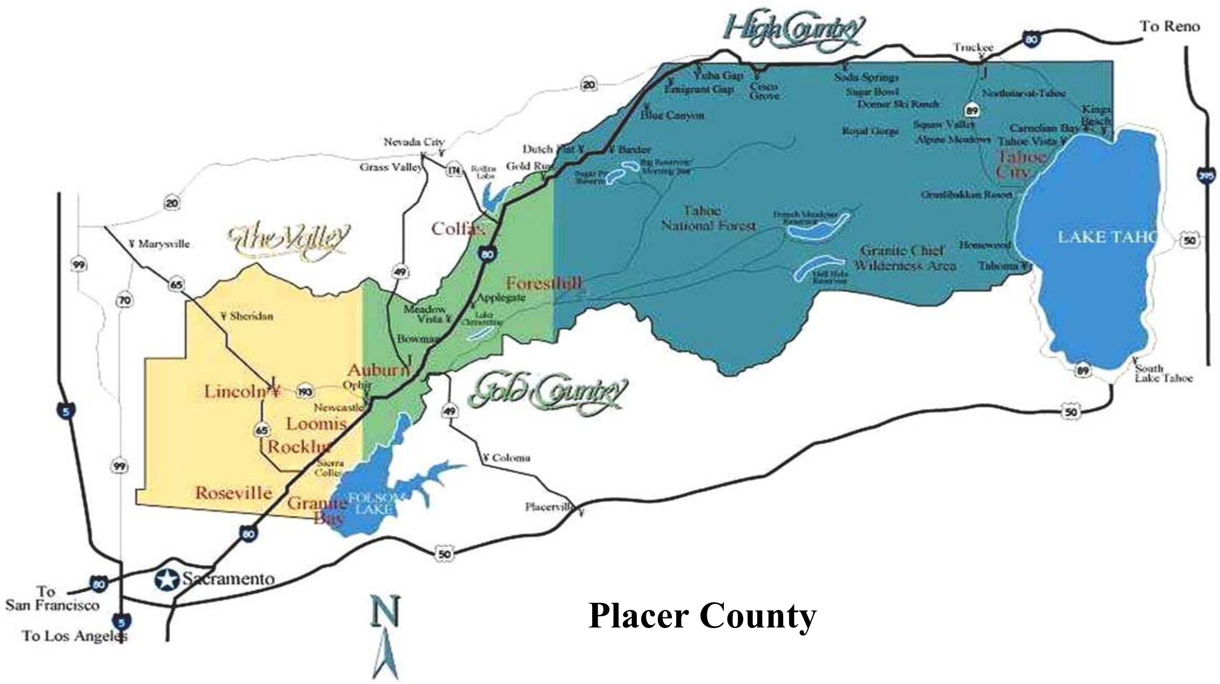
Five-Year Implementation Strategy
FY 2002-2007
Sunset Industrial Redevelopment Project

Executive Summary



Background

On January 1, 1994, Assembly Bill 1290 (Stats. 1993. Chapter 942), known as the Community Redevelopment Law Reform Act of 1993 ("AB 1290"), went into effect. AB 1290 refocused the redevelopment process on a statewide basis to eliminate blight, stimulate economic development, and provide affordable housing for low to moderate-income households. It also changed many redevelopment agencies' time horizons in that it required projects and programs to be reviewed and assessed every five years either in conjunction with the Implementation Plan cycle or the Housing Element cycle.

AB 1290 specifically required that a five-year implementation plan for each redevelopment plan be adopted and that the plan must contain:

- Specific goals and objectives of the Agency for the redevelopment project area.

- Identification of specific programs and projects and their related expenditures proposed for the next five years.
- An explanation or strategy as to how the goals, objectives, proposed projects and programs, and proposed expenditures will help eliminate blight and satisfy affordable housing production requirements.

The Five-Year Implementation Strategy ("Implementation Strategy") is not a Capital Improvement Program, although redevelopment tax increment can be a source of funds for capital improvements. Those capital projects must be within the Sunset Industrial Redevelopment Project Area ("Project Area") or close enough to directly benefit the Project Area.

This Implementation Strategy is not a General Plan or a part of it, although the Implementation Strategy has goals and objectives consistent with the County of Placer's General Plan. Likewise, the Affordable Housing/Workforce Housing Implementation Strategy and Housing Production Plan must be consistent with the Housing Element, but is not a part of the County Housing Element.

Sunset Industrial Redevelopment Project Area Implementation Strategy

The first implementation strategy was prepared as part of the redevelopment plan adoption covering the period of FY 1997-98 through FY 2001-02. This Implementation Strategy covers the period from FY 2002-03 through FY 2006-07. The Implementation Strategy is divided into the following parts:

I. Introduction and Background

II. Relationship of Redevelopment Activities to the Elimination of Blight

III. Five-Year Implementation Strategy Budget Forecast

IV. Five-Year Redevelopment Implementation Strategy

V. Five-Year Affordable Housing/Workforce Housing Implementation Strategy and Housing Production Plan

Blighting Conditions

Redevelopment projects are established to remedy conditions of blight as defined by the Community Redevelopment Law (the "CRL") that is in effect at the time a redevelopment project is adopted. The definition of blight, as stated in Section 33031 of the CRL, is set forth below:

- Unsafe/Dilapidated/Deteriorated Buildings.
- Physical Conditions that Limit the Economic Viability and Use of Lots/Buildings.
- Incompatible Uses.
- Lots of Irregular Shape, Inadequate Size, and Under Multiple Ownership.
- Depreciated/Stagnant Property Values; Impaired Investments.
- High Business Turnovers and Vacancies/Low Lease Rates/Abandoned Buildings/Vacant Lots.
- Lack of Neighborhood Commercial Facilities.
- Residential Overcrowding/Excess of Adult Businesses.
- High Crime Rates.

The CRL also characterizes inadequate public improvements as blight when the aforementioned conditions are present. Undersized and incomplete public improvements are distributed throughout the Project Area. Public improvement deficiencies include highways, streets, and intersections with inadequate capacity; unpaved roads; deteriorated paving surfaces; deteriorated, substandard, and inadequate sewer and storm drainage systems; missing curbs and gutters; and the lack of sidewalks, street trees, and pedestrian amenities.

The blight conditions, physical and economic, that were in existence at the time of the Sunset Industrial Redevelopment Plan (the "Redevelopment Plan") adoption and documented in the Redevelopment Plan are essentially the same as the current conditions.

Goals of the Sunset Industrial Redevelopment Plan

The redevelopment plan goals enumerated below formulate an overall approach for implementation of needed revitalization efforts contained in this Implementation Strategy and will serve as a guide for the Agency's activities over the next five years.

- Elimination and prevention of conditions of physical and economic blight and deterioration in the Project Area.

- Conservation, rehabilitation and redevelopment of the Project Area in accordance with the General Plan, the Sunset Industrial Area Plan, future specific or area plans, this Implementation Strategy, and the Zoning Ordinance, as they now exist or may hereafter be amended.

- Achievement of an environment reflecting a higher level of concern for architectural, landscape, urban design and land use principles appropriate for attainment of the objectives of this Plan, the General Plan, and the Sunset Industrial Area Plan, as they now exist or may hereafter be amended.

- Control of unplanned growth by guiding revitalization, rehabilitation, and new development in such a fashion as to meet the needs of the project, the County, and its citizens.

- Elimination or amelioration of constraints to development, including without limitation, accessibility constraints that interfere with proper development by providing, as may be appropriate, street, interchange, and railroad overpass or other improvements.

- Elimination or amelioration of other deficient or substandard public infrastructure conditions including insufficient off-street parking; deficient, undersized, or poorly located utilities; inadequate fire protection facilities; or other similar public improvement deficiencies adversely affecting the Project Area.

- Provision of assistance, as my be appropriate, to property owners, businesses, and investors to facilitate the rehabilitation or construction of buildings suitable for job generating light industrial, distribution, and services uses.

- Provision, as may be appropriate, of assistance to public and private development entities in the mitigation of environmental conditions that interferes with proper development.

- Promotion of new and continuing private sector investment within the Project Area to prevent the loss of and to facilitate an increase of light industrial, distribution, and commercial service activity.

- Creation and development of local job opportunities and preservation of the Project Area's existing employment base.

- Provision of assistance, as may be appropriate, to ensure the development, by rehabilitation or new construction, of a range of housing types affordable to various segments of the community, in the County outside of the Project Area, in a manner consistent with the provisions of the General Plan and the CRL, as they now exist or may hereafter be amended.

Past Accomplishments and Projects

In 1997, in accordance with the provisions of AB 1290, the Agency adopted an Implementation Strategy, which contained specific goals and objectives for the Project Area for the period between 1997 and 2002, as part of it's redevelopment plan adoption process. The notable accomplishments and projects during the last five years were in the areas of economic development and business attraction. Initial program activities were constrained by the limitation of tax increment revenues due to a successful property tax appeal by a major landowner. The Office of Economic Development and the Agency have supported the area with marketing, permit assistance, and major planning/engineering efforts particularly in the areas of Infrastructure Master Planning (transportation/traffic, storm drainage and storm water detention, potable water, and sewer system needs).

Recent increases in industrial development and expansions are expected to produce a higher amount of tax increment revenues over the next five years that will enable the Agency to address a number of projects that have been identified in the County's Capital Improvements Program (2002 to 2015). The lack of these facilities and the inadequate infrastructure capacities has been the most serious constraint to this Project Area and will be for the next five-year Implementation Strategy period.

Sunset Industrial Redevelopment Project Area Five-Year Implementation Strategy

The new Implementation Strategy reviews the Agency's progress and updates the prior Implementation Strategy's goals, objectives, programs, and projects for the next five years. It also projects the amount of tax increment revenue the Agency may have to implement the Implementation Strategy and to fulfill it obligations and responsibilities during this time period. The Agency's Financial Consultant, Seifel

Consulting, Inc. ("Financial Consultant") estimates that the Project Area will generate approximately $10,500,000 in tax increments and bond proceeds to implement this strategy, with the issuance of an $8,600,000 bond in FY 2006-07 as a major financing event.

A minimum of 20% of the future $8,600,000 bond issue, approximately $2,200,000, will be set-aside in the Housing Fund to fund affordable housing projects. These proceeds will provide the Housing Fund additional funds to develop affordable housing projects and programs for the workforce. For economic development and redevelopment to succeed, there must be affordable housing. For the past 10 years, new multifamily rental housing construction totaled less than 1% of the total housing starts in the unincorporated County area. Financial incentives and inducements for the development of multifamily rental housing would alleviate part of the affordability problems.

The balance of the bond proceeds, approximately $6,400,000, will fund redevelopment, economic development, business retention, and significant infrastructure projects as part of the Agency's efforts to eliminate blighting conditions in the Project Area.

Conclusion

The Implementation Strategy is the Agency's plan and commitment to address blighting conditions in the Project Area during the next five years. Since the Project Area formation five years ago, the Agency has been positioning itself to address the opportunities and the challenges that are forthcoming. A number of studies, strategies, and plans have been developed to provide guidance and direction to implement projects and programs over the next five years and to take full advantage of the increase in tax increment revenues and growth in the Project area. The anticipated bond issue in FY 2006-07 will provide a major infusion of funds to the Agency for it to accomplish certain major infrastructure projects that are essential to economic development and business retention. The bond proceeds will also provide the Housing Fund sufficient funds to do affordable housing projects in the areas of Sheridan, unincorporated Lincoln, Penryn, and Foresthill and to leverage its funds with other redevelopment project housing funds, HOME funds, and CDBG funds.

The capability, experience, and effectiveness of the Agency will grow with each succeeding year of accomplishments and project completions, enabling it to complete the Implementation Strategy and realize the goals and objectives of the Redevelopment Plan.

Source of Map and Photos: Placer County Redevelopment Agency 2002

Five-Year Implementation Strategy
FY 2002-2007

Sunset Industrial Redevelopment Project Area

I. Introduction and Background

In 1997, in accordance with the provisions of Section 33490 of the California Community Redevelopment Law, Health and Safety Code Section 33000 et. seq. (the "CRL") requiring the adoption of implementation plans for redevelopment project areas as part of the redevelopment plan adoption process for the Sunset Industrial Redevelopment Project Area (the "Project Area"), the Placer County Redevelopment Agency (the "Agency") adopted its first implementation plan along with the adoption of the Sunset Industrial Redevelopment Plan (the "Redevelopment Plan"). The implementation plan or strategy contained specific goals and objectives for the Project Area for the period between 1997 and 2002.

This document is the second Five-Year Implementation Plan ("Implementation Strategy") for the Project Area. The new Implementation Strategy reviews the Agency's past progress, updates the Agency's goals and objectives, indicates anticipated projects and programs, and projects estimates of revenues and expenditures for the five year planning period beginning in Fiscal Year ("FY") 2002-03 and terminating at the end of FY 2006-07. For the purpose of this report this five-year time period will be referred to as "FY 2002-2007."

Contents of the Implementation Strategy

Section 33490 of the CRL requires this Implementation Strategy to include the following:

- Specific Agency goals and objectives for the Project Area;
- Specific programs, potential projects, and estimated expenditures proposed by the Agency over the next five years, and;
- An explanation of how Agency goals, objectives, programs, and expenditures will eliminate blight within the Project Area and improve and increase the supply of housing affordable to very low, low, and moderate-income households.

The CRL further requires that this Implementation Strategy address the Agency's affordable housing production and replacement housing needs and achievements in the following manner:

- Develop an annual housing program in sufficient detail to measure performance under the Implementation Strategy;

- Identify the number of housing units to be developed, rehabilitated, price-restricted, or otherwise assisted or destroyed;

- Provide a description of the Agency's plan for use of its annual deposits in the Low to Moderate-income Housing Fund;

- Identify potential locations for any replacement housing the Agency is required to produce; and

- Develop a Project Area Affordable Housing/Workforce Housing Implementation Strategy.

The Project Area does not have any residentially zoned land nor does it have residential structures. Furthermore, there are no plans to develop residences or create a General Plan Residential Land Use and residential zoning for this industrial project area for the duration of the Redevelopment Plan.

Implementation Strategy Framework

The Implementation Strategy is organized into five major parts:

I. Introduction and Background

II. Relationship of Redevelopment Activities to the Elimination of Blight

III. Five-Year Implementation Strategy Budget Forecast

IV. Five-Year Redevelopment Implementation Strategy

V. Five-Year Affordable Housing/Workforce Housing Implementation Strategy and Housing Production Plan

The first part provides information on the Redevelopment Plan and Project Area. The second part discusses the relationship of redevelopment activities to eliminate blight. The third part is the Five-Year Implementation Strategy Budget Forecast that indicates the anticipated revenues and the anticipated expenditures to implement the programs and projects. Part IV is the Five-Year Redevelopment Implementation Strategy, which addresses redevelopment projects, programs, and resources. The last part of this Implementation Strategy addresses the Agency's housing responsibilities, projects, programs, and resources to provide affordable housing in its Five-Year Housing Implementation Strategy and Housing

Production Plan, which would be implemented entirely outside of the project area.

Placer County Redevelopment Project Areas

The Placer County (the "County") Board of Supervisors created the Agency on April 30th, 1991 by Ordinance No. 4309-B. The members of the Board of Directors of the Agency are the same members comprising the Board of Supervisors. The primary mission of the Agency is to undertake redevelopment activities that remove physical and economic blight conditions that inhibit and continue to plague economic growth in the County. The current project areas are:

1. North Lake Tahoe Redevelopment Project established July 16, 1996 by Ordinance No. 4753-B.

2. Sunset Industrial Redevelopment Project established June 24, 1997 by Ordinance No. 4835-B.

3. North Auburn Redevelopment Project established June 24, 1997 by Ordinance No. 4832-B.

Sunset Industrial Redevelopment Project Area and Redevelopment Plan

The Project Area incorporates approximately 2,580 acres of unincorporated industrial land. The Project Area and Redevelopment Plan were adopted on June 24, 1997 with the adoption of Ordinance No. 4835-B. The Project Area extends north of Industrial Avenue, west along Athens Avenue and extends south and east along Fiddyment Road.

The Project Area includes light and heavy industrial uses as well as some high-tech uses, and where a large industrial park is located along Cincinnati Avenue. Various businesses and uses include contractor's yards, warehouses, distribution facilities, a power generating plant, a liquefied petroleum distributor, an active landfill, a recycling facility, a church and other small-scale service uses.

Relationship of the Project Area to the Sunset Industrial Area Plan

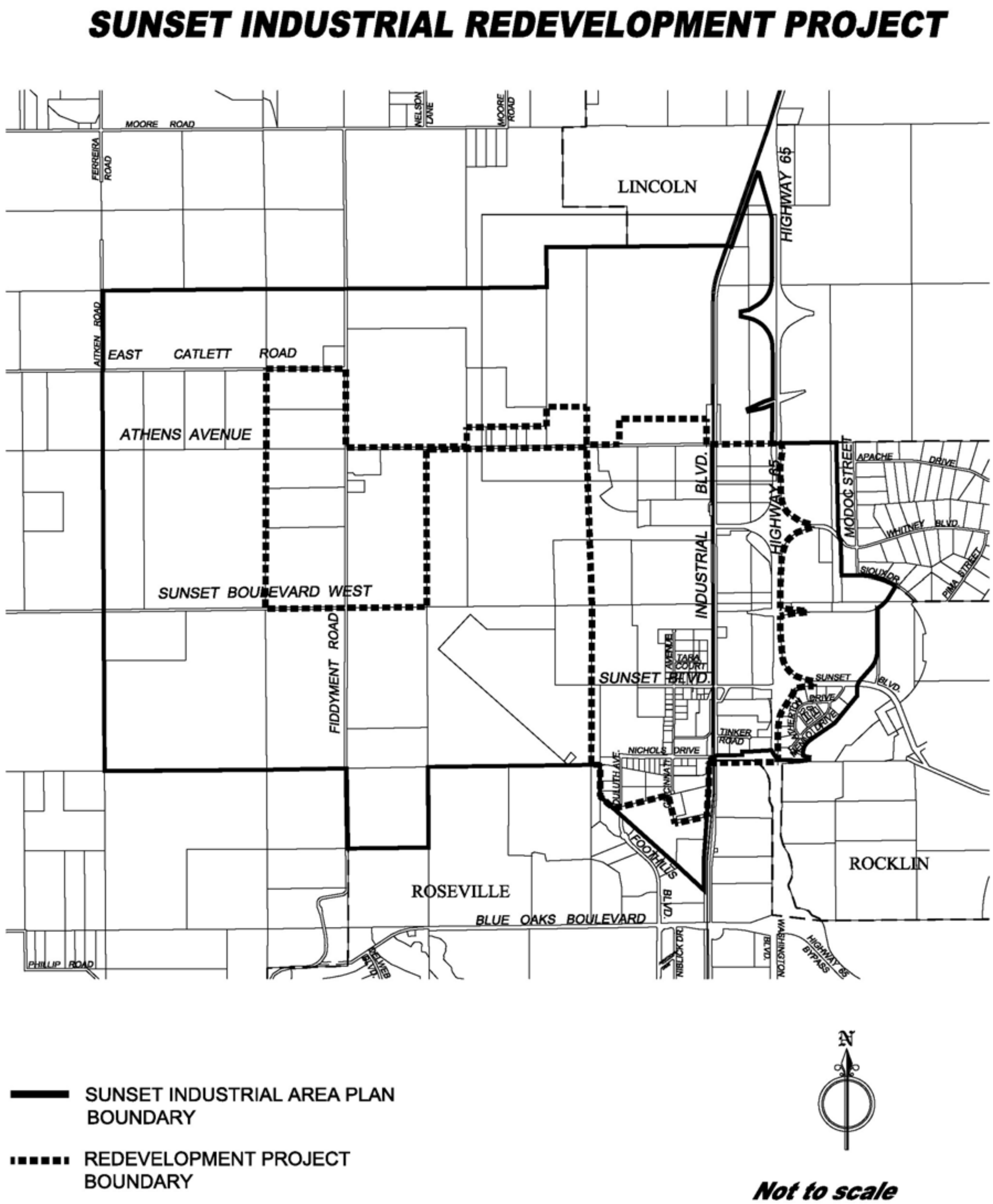
The Sunset Industrial Area Plan ("SIA") was adopted in June 24, 1997 and covers an area of approximately 13.9 square miles or about 8,900 acres at the southern portion of Placer County adjacent to the communities of Rocklin and Roseville. The SIA Plan was produced to address a number of major issues affecting the development of the Project Area, including issues of encroachment of incompatible uses, the need to improve the area's public infrastructure, the streamlining of the land development review and permitting process, and to lift certain other constraints to development.

The Project Area, shown on Figure 1, is located entirely within the boundaries of the SIA Plan area and its 2,580 acres represents about 29 percent of the SIA Plan area. It was created to as a means to of accomplishing many of the goals, objectives and to address the multitude of issues identified in the SIA Plan. This redevelopment and financing tool would be used to eliminate blighting conditions and ensure the proper development of the area.

Consequently, the Redevelopment Plan focuses on the redevelopment of the area to create a thriving, job generating light industrial, distribution, and commercial service area along the Highway 65 corridor to accomplish many of the goals and objectives of the SIA Plan.

Figure 1

Project Area Map



II. Relationship of Redevelopment Activities to the Elimination of Blight

Blighting Conditions

Redevelopment projects are established to remedy conditions of blight as defined by the CRL that are in effect at the time a redevelopment project is adopted. The definition of blight, as stated in Section 33031 of the CRL, is set forth below, along with certain adverse conditions noted within the Project Area:

Unsafe/Dilapidated/Deteriorated Buildings. Buildings in which it is unsafe or unhealthy for persons to live or work. Serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors can cause these conditions. Field reconnaissance surveys and an extensive building conditions survey conducted in 1997 confirmed these problems and revealed that a large number of buildings in the area were in relatively poor condition.

Physical Conditions that Limit the Economic Viability and Use of Lots/Buildings. Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size, given present standards and market conditions, lack of parking, or other similar factors.

Incompatible Uses. Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.

Lots of Irregular Shape, Inadequate Size, and Under Multiple Ownership. The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

Depreciated/Stagnant Property Values; Impaired Investments. Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459 of the CRL).

High Business Turnovers and Vacancies/Low Lease Rates/Abandoned Buildings/Vacant Lots. Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.

Lack of Neighborhood Commercial Facilities. A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

Residential Overcrowding/Excess of Adult Businesses. Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults that has led to problems of public safety and welfare.

High Crime Rates. A high crime rate that constitutes a serious threat to the public safety and welfare.

The CRL also characterizes inadequate public improvements as blight when the aforementioned conditions are present. Deficient, deteriorated, and damaged public improvements are distributed throughout the Project Area. Public improvement deficiencies include highways, streets, and intersections with inadequate capacity; unpaved roads; deteriorated paving surfaces; deteriorated, substandard, and inadequate sewer and storm drainage systems; missing curbs and gutters; and the lack of sidewalks, street trees, and pedestrian amenities.

The blight conditions, physical and economic, that were in existence at the time of Redevelopment Plan adoption and documented in the Redevelopment Plan are essentially the same as the current conditions.

Goals of the Sunset Industrial Redevelopment Plan

The Redevelopment Plan goals enumerated below formulate an overall approach for implementation of needed revitalization efforts contained in this Implementation Strategy and will serve as a guide for the Agency's activities over the next five years.

- Elimination and prevention of conditions of physical and economic blight and deterioration in the Project Area.

- Conservation, rehabilitation and redevelopment of the Project Area in accordance with the County General Plan, the SIA Plan, future specific or area plans, this Implementation Strategy, and the Zoning Ordinance, as they now exist or may hereafter be amended.

- Achievement of an environment reflecting a higher level of concern for architectural, landscape, urban design and land use principles appropriate for attainment of the objectives of this Implementation Strategy, the County General Plan, and the SIA Plan, as they now exist or may hereafter be amended.

- Control of unplanned growth by guiding revitalization, rehabilitation, and new development in such a fashion as to meet the needs of the Project Area, the County, and its citizens.
- Elimination or amelioration of constraints to development, including without limitation, accessibility constraints that interfere with proper development by providing, as may be appropriate, street, interchange, and railroad overpass or other improvements.
- Elimination or amelioration of other deficient or substandard public infrastructure conditions including insufficient off-street parking; deficient, undersized, or poorly located utilities; inadequate fire protection facilities; or other similar public improvement deficiencies adversely affecting the Project Area.
- Provision of assistance, as may be appropriate, to property owners, businesses, and investors to facilitate the rehabilitation or construction of buildings suitable for job generating light industrial, distribution, and services uses.
- Provision, as may be appropriate, of assistance to public and private development entities in the mitigation of environmental conditions that interferes with proper development.
- Promotion of new and continuing private sector investment within the Project Area to prevent the loss of and to facilitate an increase of light industrial, distribution, and commercial service activity.
- Creation and development of local job opportunities and preservation of the Project Area's existing employment base.
- To improve access and circulation within the Project Area.
- Provision of assistance, as may be appropriate, to ensure the development, by rehabilitation or new construction, of a range of housing types affordable to various segments of the community, in the County outside of the Project Area, in a manner consistent with the provisions of the County General Plan and the CRL, as they now exist or may hereafter be amended.

Redevelopment and Housing Programs

The following narrative, from the April 1997 Sunset Industrial Redevelopment Project Implementation Plan, describes the redevelopment and housing programs proposed to be implemented over the 30 year duration of the Plan. At the time, it was anticipated that $8,900,000 would be available for low to moderate-income housing projects and programs and $20,500,000 for redevelopment projects and programs. These figures were based upon projected tax increment revenue programmed over the life of the Redevelopment Plan in 1996-97 dollars. Current projections of tax increment revenues are identified later in this Strategy. As with any projections, greater or lesser funding may be available, depending upon changes of assessed valuation in the Project Area.

Redevelopment Programs

Industrial Area Revitalization. The redevelopment program proposes a general revitalization of occupied and vacant industrial land throughout the Project Area. Industrial area revitalization is designed to facilitate the attraction of new industry, the creation of new employment opportunities, and the generation of new tax revenues. It is proposed to use redevelopment to assist in covering the cost of the following programs:

- <u>Rehabilitation of Existing Buildings</u> - Including, but not limited to, write-down of land and building costs and/or rehabilitation loans at favorable rates to retain or attract desirable industrial uses.

- <u>Special Development Assistance</u> - Including assistance to property owners, investors, businesses, and developers to achieve project feasibility and overcome economic obstacles to successful, proper, and timely development. Examples of such assistance include land write-down, provisions of loans, installation of supporting utilities and public improvements.

- <u>Accessibility Improvements</u> - Including Sunset Overpass, interchange improvements, extension of Foothills Boulevard, etc.

- <u>Industrial Land Assembly</u> - Land assembly to achieve economic, usable, and marketable industrial sites.

- <u>Marketing</u> - Marketing, to attract suitable new research and development, light industrial, distribution, and service businesses to the area.

Major Accessibility Improvements. It is proposed to provide redevelopment financial assistance, as may be appropriate, to assist in funding the following major accessibility improvements:

- Sunset Boulevard Overpass and Interchange- Including the improvement and widening of the Sunset Boulevard overpass and improvements to a related interchange at Industrial Avenue.

- Foothills Boulevard Extension- The extension of Foothills Boulevard to Athens Avenue northerly from the Roseville city limits to connect with new streets serving the Project Area (Sunset Boulevard and Whitney Boulevard).

- Highway 65 Widening and Connections- Including, potentially, the widening of Highway 65 and intersection and interchange improvements at Highway 65 intersections and future interchanges at Sunset Boulevard, Whitney Boulevard, and Athens Avenue.

Local Circulation Improvements. As may be appropriate, redevelopment funding may be provided to assist in the construction of needed local circulation improvements that complement the major accessibility improvements described above. Such improvements include, but are not limited to, the following:

- Sunset Boulevard Widening and Extension- The widening of Sunset Boulevard from Highway 65 to Cincinnati Avenue, and the widening and extension of Sunset Boulevard west from Cincinnati Avenue to Fiddyment Road and beyond.

- Whitney Boulevard Construction- The construction of Whitney Boulevard from Highway 65 to Fiddyment and beyond.

- Athens and Industrial Avenues- Improvement of Athens and Industrial Avenues, including intersections and the railroad crossing, to better and more safely accommodate existing and projected future truck and passenger car traffic.

- Interior Street Improvements- General improvement of existing streets in the Project Area to a higher level more consistent with a modern industrial park.

- Intersection Improvements and Traffic Controls- Provisions of intersection improvements and traffic controls for the circulation improvements described above.

Fire Protection Facilities. Currently fire protection the Project Area is provided from a remote California State Division of Forestry and Fire Protection station located near Lincoln. More adequate fire protection has been identified by the Placer County Office of Economic Development as being a prerequisite to the successful marketing and development of land in the Project Area. Because of this, it is proposed to use available redevelopment funding, if necessary, to assist in the construction of more adequate fire protection facilities either in the Project Area or in an area where satisfactory service can be provided to the Project Area.

Hazardous Waste Clean Up. Article 12.5 of the CRL specifically authorizes the clean up by redevelopment agencies of hazardous wastes in redevelopment project areas. The presence of hazardous wastes, which are often a source of soil, ground water, and stream contamination, can inhibit satisfactory redevelopment of an area. Potential sources of hazardous wastes and other contaminants in the Project Area include industrial uses and informal, and frequently illegal, dumping.

Those parties responsible for the contamination will give primary emphasis to the funding of the clean up. However, secondary emphasis will be given to the use of redevelopment powers and funding, to the extent that such funding is available, to help ensure the clean-up of contamination so that proper development can proceed in a timely manner. Such funding may be provided to the extent that hazardous waste clean up cannot be funded by other sources, including those parties legally responsible for the clean up.

Land Assembly and Relocation. Some land assembly may be required to provide sites for public facilities or to support desirable private development. Business and residential relocation, if any, is likely to be minimal. However, in the event that relocation of businesses or residents is required, all such relocation will be conducted in accordance with the requirements of applicable law, and appropriate relocation assistance will be provided.

Planning and Design. Implementation of the redevelopment program will require ongoing planning which could include preparation of urban design guidelines, streetscape and entrance design studies, designs for public facilities, environmental impact reports, and design assistance for property owners, businesses and developers. Although much of the cost of this work will be covered privately, some costs will need to be funded publicly.

Housing Programs

The CRL required redevelopment agencies to set aside in a separate Low and Moderate-Income Housing Fund (the "Housing Fund") at least 20 percent of all tax increment revenue generated from its project areas for the purpose of increasing, improving and preserving the community's supply of very low, low and moderate-income housing.

The Agency will commit 20 percent or more of its gross tax increment revenues to its Housing Fund, which is projected to be about $9.2 million ($8.9 million was used for budget purposes) in 1996-97 dollars from the Project Area. These funds will be utilized in order to provide loans to very low, low, and moderate-income families who are first time buyers and for housing rehabilitation, entirely outside of the Project Area since there are not any residences or any residentially zoned land in the Project Area.

Redevelopment Activities Undertaken and Blight Conditions Addressed

The Agency used the past five years to conduct studies, establish programs and assessed needs to address the elimination of the blight conditions in the Project Area. The Agency also has implemented several housing improvement programs and is proceeding to initiate several other redevelopment and housing projects and programs in the next five years.

Each program/project used other funding sources besides redevelopment funds and addresses several of the physical and economic blight conditions identified in the Redevelopment Plan. Major programs/projects from the first five years are summarized on Table 1 and 2, which follow:

TABLE 1

SUNSET INDUSTRIAL REDEVELOPMENT PROJECT
Redevelopment Programs/Projects Implemented/Initiated to Date

Program/Project	Description	Blighting Conditions Addressed
Traffic Mitigation Fee Reduction Program	In 1996, the Agency agreed to a reduction of the traffic mitigation fee applied to new development within the Sunset Industrial Redevelopment Project. Since adoption, the fee reduction has benefited several industrial users. The estimated reduction in fee revenue to the County's Capital Improvements Program would be offset by Agency financial contributions to certain capital transportation improvement projects within the Project Area. The current July 2001 Countywide Capital Improvements Program estimates the Agency's obligation to be $5.5 million through 2015, which is also subject to cost of living adjustments. Approximately $2 million is projected to be funded by FY 2006-07 as part of this Implementation Strategy.	Substandard Design, Deterioration/Dilapidation; Defective Design; Faulty/Inadequate Utilities; Depreciated Property Values; high Business Vacancies; Abnormally Low Lease Rates; Declining Retail Sales Taxes; Inadequate Public Improvements
Sunset Industrial Area Collection System Master Plan (Sewer)	A Master Plan was developed in December 2000 for the collection, distribution, and to increase treatment capacities in the Sunset Industrial Area ("SIA") which also includes the Sunset Industrial Redevelopment Project area. The area severely lacks an adequate sewer system and would constrain the potential redevelopment of the area. This Plan may result in the implementation of a future benefit/assessment district for the development of the industrial area of which the Agency maybe a financial participant.	High Business Vacancies; Abnormally Low Lease Rates; Declining Retail Sales Taxes; Depreciated Property Values; Inadequate Public Improvements

TABLE 1 (continued)

SUNSET INDUSTRIAL REDEVELOPMENT PROJECT
Redevelopment Programs/Projects Implemented/Initiated to Date

Program/Project	Description	Blighting Conditions Addressed
Sunset Industrial Area Infrastructure Master Plan	The Program will assist in the establishment of infrastructure needs for property planned and zoned for industrial development within the SIA, which also includes the Sunset Industrial Redevelopment Project area. The study is expected to assist in the marketing of industrial sites, provide time savings to potential developers, and ensure certainty of project approvals for specific uses. The Agency may assist the County and developers in meeting certain costs.	High Business Vacancies; Abnormally Low Lease Rates; Declining Retail Sales Taxes; Depreciated Property Values; Inadequate Public Improvements; Lack of Parking
Implementation Projects 1) Master CUP Application 2) Technical Assistance in Business Recruitment and Retention 3) Assistance to Specific Business in Location or Expansion 4) Assistance to New or Expanding Local Business in Real Estate Acquisition. 5) Business Outreach and Support Program	Programs to address specific requests and needs of the industrial business community for processing of permits, assistance with fees, relocation of their facilities, expansion plans, adjustments to their facilities in the form of parking, building rehabilitation, additional property; and business promotion and support.	High Business Vacancies; Abnormally Low Lease Rates; Declining Retail Sales Taxes; Depreciated Property Values; Inadequate Public Improvements; Lack of Parking

TABLE 2

SUNSET INDUSTRIAL REDEVELOPMENT PROJECT
Housing Programs/Projects Implemented/Initiated to Date

Program/Project	Description	Blighting Conditions Addressed
Foresthill Housing Rehabilitation Program	The Agency received a State CDBG Program grant for the rehabilitation of existing housing in the Foresthill area. Sunset Industrial Housing Set-Aside funds were used as the local funding match for the program.	Per Redevelopment Law-purpose is to improve and increase affordable housing opportunities
Sheridan/Applegate Sewer Public Works Project - Local Match	The Agency intents to apply to the State CDBG program for a Planning and Technical Assistance Grant to determine improvements to the Sheridan sewer system and apply Sunset Industrial Housing Set-Aside funds to meet the local match requirement.	Per Redevelopment Law-purpose is to improve and increase affordable housing opportunities
First Time HOME Buyers Assistance Program (Down Payment Assistance). The Program targets nearby communities of Sheridan, Penryn, and Foresthill.	The County and Agency has made a loan pool of $620,000 available to make loans to qualified first time buyers. The County loan, the down payment assistance service through Mercy Housing Corporation, acts as gap financing to make the first mortgage payments affordable. As of 2002, homes to be purchased cannot exceed $253,650 in purchase price and the maximum $60,000 loan is secured with a second or third trustee deed that is subordinated to private mortgage loans.	Per Redevelopment Law-purpose is to improve and increase affordable housing opportunities

III. Five-Year Implementation Strategy Budget Forecast

At the end of this section, Figures 2 and 3 depict a graphic summary of all estimated Project Area Revenues and all estimated Project Area Expenditures for the Five-Year Implementation Plan.

Table 3, the Five-Year Implementation Strategy Budget Forecast (the "Strategy Budget Forecast") presents a five-year forecast of revenues and expenditures to implement the programs and projects for the Project Area. The Strategy Budget Forecast identifies expenditures for programs and projects as well as sources of funding, specifically beginning balances, tax increment, and bond proceeds. Actual revenues and expenditures may differ from these forecasts and are therefore subject to change.

Tax increment amounts were projected and provided by the Agency's Financial Consultant. Details of the assumptions provided by Agency staff and the Financial Consultant used to develop the forecasts are presented below:

- Revenue and expenditures for fiscal year 2001-02 were based on the current annual Agency budget.
- Future tax increment revenues were projected based on a 2% increase in the secured assessed value in the Project Area; a 1% reassessment adjustment representing increases in assessed value following property reassessment; and an adjustment for new development based on estimates of growth towards build-out provided by Agency staff.
- The FY 2002-03 Beginning Fund Balance is an estimate as of 5-1-02 by Agency staff.
- Debt service payments consist of bond debt service and County loan repayments were not included in the projections. There are no current Agency bonds outstanding and the County loan repayments have been subordinated to implement the Agency projects and programs.
- Taxing agency payments from the redevelopment fund have been calculated pursuant to terms of existing fiscal mitigation agreements.

- Capital project debt service costs or fee obligations were obtained from the current budget or provided by Agency staff.
- Project costs were obtained from the FY 2001-02 budget and Agency staff estimates.

Project Selection Criteria

In 1998, the County Board of Supervisors adopted a project selection criterion that would be used to evaluate all future projects and applications. The criterion is as follows:

- To what extent will the project contribute to the growth of tax increment revenues within the redevelopment area?
- To what extent will the project “leverage” other sources of funding?
- Will the completion of the project in the Agency’s early years provide better guidelines and more extensive criteria for effective allocation of tax increment funds in later years as the revenue levels rise?
- Is the project required to address a specific state requirement within a given time frame such as affordable housing?
- Will tax increment projections for the first years of the Agency’s existence be able to finance the project?
- Are the initial projects small enough in scope or can they be reasonably segmented into specific work tasks so that the Agency does not become overly extended financially in the event of either a down turn in the economy or a project area’s inability to generate tax increment equal to expected projections?

The criterion was used to develop the programs and projects identified in the Implementation Strategy.

Programs, Projects, and Ending Balances

Over the five-year period, the Agency anticipates investing $6,655,000 in redevelopment programs and projects and $2,564,000 in housing programs and projects funded and financed from tax increment revenues and bond proceeds.

The Financial Consultant’s projections, provided as Appendix A, indicate that the Agency could issue a tax increment allocation bond that would provide approximately $8,600,000 million in bond proceeds in FY 2006-07, depending on financial market conditions and tax increment collections. For FY 2006-07, the bond proceeds have been distributed to fund the planned implementation projects and programs for the year. The Ending Balance of approximately $1,338,583 in the Redevelopment Fund will be used for on-going or new projects and programs over the following two to three fiscal.

Since the proposed bond issue would occur during the last year of this five-year Implementation Strategy, a ten-year cash flow analysis and sources and uses of funds schedule are being developed by Agency staff to plan the complete use of the funds to fulfill the goals and objectives of the Redevelopment Plan.

Figure 2
FY 2002-2007 Sunset Industrial Redevelopment Project Area Revenue Sources

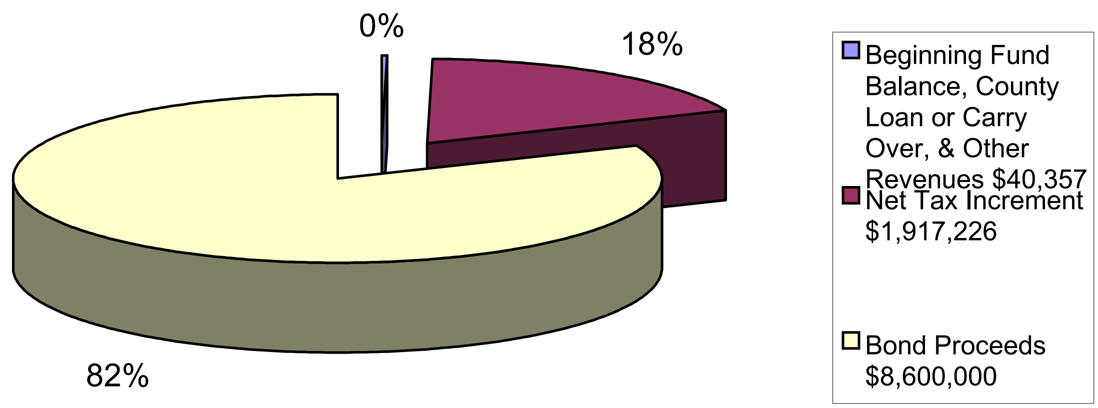


Figure 3
FY 2002-2007 Sunset Industrial Redevelopment Project Area Expenditures

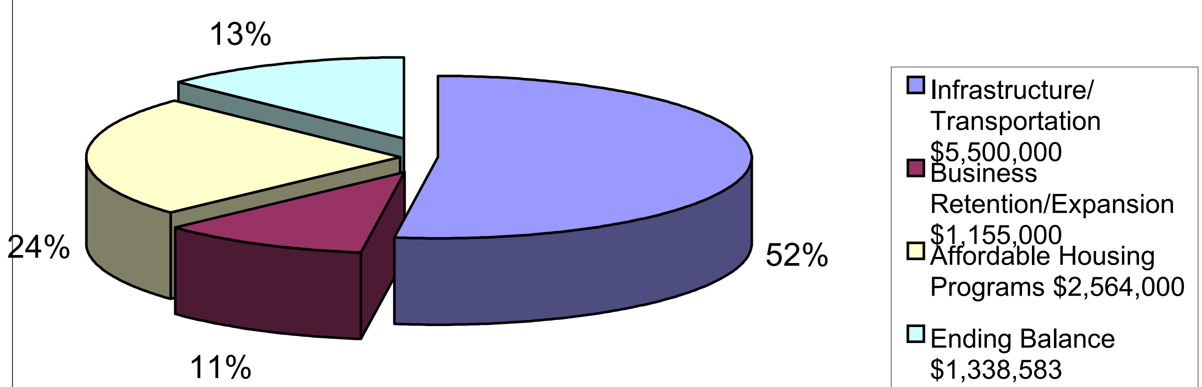


Table 3

SUNSET INDUSTRIAL REDEVELOPMENT PROJECT AREA
FIVE YEAR IMPLEMENTATION STRATEGY BUDGET FORECAST
FY 2002-2007 REVENUES AND EXPENDITURES

REVENUE SOURCES						
REDEVELOPMENT REVENUE (1)	FY2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	TOTAL
Fiscal Year Beginning Fund Balance (3)	$ 6,850	$ 10,989	$ 2,075	$ 125,868	$ 39,856	$ 6,850
Redevelopment Net Tax Increment (4)	$ 65,932	$ 222,401	$ 449,732	$ 550,934	$ 136,153	$ 1,425,152
County Loan or Carry Over	$ 207	$ (315)	$ (939)	$ 54	$ -	$ (993)
Bond Proceeds (5)	$ -	$ -	$ -	$ -	$ 6,400,000	$ 6,400,000
Subtotal	$ 72,989	$ 233,075	$ 450,868	$ 676,856	$ 6,576,009	$ 7,831,009
HOUSING REVENUE (2)	FY2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	TOTAL
Fiscal Year Beginning Fund Balance (3)	$ 34,500	$ 37,096	$ 55,814	$ 85,165	$ 115,521	$ 34,500
Housing Net Tax Increment (4)	$ 22,596	$ 76,718	$ 155,351	$ 190,356	$ 47,053	$ 492,074
County Loan or Carry Over	$ -	$ -	$ -	$ -	$ -	$ -
Bond Proceeds (5)	$ -	$ -	$ -	$ -	$ 2,200,000	$ 2,200,000
Subtotal	$ 57,096	$ 113,814	$ 211,165	$ 275,521	$ 2,362,574	$ 2,726,574
TOTAL REVENUES (7)	**$ 130,085**	**$ 346,889**	**$ 662,033**	**$ 952,377**	**$ 8,938,583**	**$ 10,557,583**
REDEVELOPMENT ACTIVITIES AND ESTIMATED EXPENDITURES						
REDEVELOPMENT PROGRAM OR PROJECT (1) (6)	FY2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	TOTAL
I. Infrastructure/Transportation Improvements:						
(Roads-Utilities-Landscaping)						
Traffic Mitigation Fee Obligation	$ -	$ -	$ -	$ -	$ 2,000,000	$ 2,000,000
General Infrastructure Projects	$ -	$ -	$ -	$ 500,000	$ 3,000,000	$ 3,500,000
Subtotal:	$ -	$ -	$ -	$ 500,000	$ 5,000,000	$ 5,500,000
II. Business Retention/Expansion:						
(Loans-Permits-GIS-Org. Capacity)						
Business Retention/Expansion:	$ -	$ 100,000	$ 200,000	$ 115,000	$ -	$ 415,000
Strategic/Implementation Planning & PBID Studies	$ -	$ 50,000	$ 25,000	$ 22,000	$ -	$ 97,000
Arch./Engr./Planning/Envir./HAZMAT/Toxics Invest.	$ 42,000	$ 41,000	$ 50,000	$ -	$ 400,000	$ 533,000
Marketing/Public Participation	$ 20,000	$ 40,000	$ 50,000	$ -	$ -	$ 110,000
Subtotal:	$ 62,000	$ 231,000	$ 325,000	$ 137,000	$ 400,000	$ 1,155,000
TOTAL REDEVELOPMENT PROGRAM OR PROJECT	$ 62,000	$ 231,000	$ 325,000	$ 637,000	$ 5,400,000	$ 6,655,000
REDEVELOPMENT ENDING BALANCE	$ 10,989	$ 2,075	$ 125,868	$ 39,856	$ 1,176,009	$ 1,176,009
HOUSING PROGRAM OR PROJECT (2) (6)	FY2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	TOTAL
Multifamily Rental New Development	$ -	$ -	$ -	$ 60,000	$ 1,200,000	$ 1,260,000
Housing Rehabilitation Program (or HOME match)	$ -	$ 38,000	$ 76,000	$ 50,000	$ 500,000	$ 664,000
First Time Homebuyers	$ 20,000	$ 20,000	$ 50,000	$ 50,000	$ 500,000	$ 640,000
TOTAL HOUSING PROGRAM OR PROJECT	$ 20,000	$ 58,000	$ 126,000	$ 160,000	$ 2,200,000	$ 2,564,000
HOUSING ENDING BALANCE	$ 37,096	$ 55,814	$ 85,165	$ 115,521	$ 162,574	$ 162,574
TOTAL EXPENDITURES (7)	**$ 82,000**	**$ 289,000**	**$ 451,000**	**$ 797,000**	**$ 7,600,000**	**$ 9,219,000**
TOTAL REVENUES (7)	**$ 130,085**	**$ 346,889**	**$ 662,033**	**$ 952,377**	**$ 8,938,583**	**$ 10,557,583**
TOTAL EXPENDITURES (7)	**$ 82,000**	**$ 289,000**	**$ 451,000**	**$ 797,000**	**$ 7,600,000**	**$ 9,219,000**
TOTAL ENDING BALANCE (7)	**$ 48,085**	**$ 57,889**	**$ 211,033**	**$ 155,377**	**$ 1,338,583**	**$ 1,338,583**

NOTES AND SOURCES:
(1) Revised input from Redevelopment Agency staff 4/26/02 and 5/3/02
(2) Revised input from Redevelopment Agency staff 4/24/02 and 5/3/02
(3) Only 5/1/02 Estimated Beginning Fund Balance for FY 2002-03; other FY numbers are Carry Over Balances from previous year.
(4) Seifel Tax Increment Projections and Bond Proceed Estimates for FY 2002-07, March 2002
(5) FY 2006-07 Bond Proceeds are estimates, depending on actual tax increment receipts. Actual amount may be higher or lower.
(6) FY 2006-07 Bond Proceeds are indicated as encumbrances or initial deposits to programs or projects.
(7) The "TOTALS" have been provided as an indication of the projected amount of revenues and expenditures available to implement the Implementation Strategy; Actual amount of revenues and expenditures will be determined by the Agency's Annual Budget, Work Programs and Projects, and Implementation Plans.

IV. Five-Year Redevelopment Implementation Strategy

As required by the CRL, the Agency must specify programs, potential projects, and estimate the expenditures it proposes to expend over the next five-years (FY 2002-03 through FY 2006-07) to complete an Implementation Strategy. The Agency's Financial Consultant prepared the financial assessment of projected tax increment and potential bond revenue that may be generated by the Project Area over the stated period to fund these programs and projects. The Financial Consultant and Agency staff indicated that the Project Area might potentially generate approximately $7,831,009 in tax increment and bond proceeds designated to redevelopment activities, which is net of the amount required for housing set-aside.

Table 3 and the following narrative describe the redevelopment projects and programs proposed for the next five years. Anticipated expenditures are based upon projected tax increment revenues from FY 2002-03 to FY 2006-07. It is important to note that the actual amount of available funding will be dependent upon increases in assessed valuation in the Project Area. Figure 4 represents the anticipated Redevelopment Fund Revenues and Figure 5 summarizes the Redevelopment Fund Expenditures, both figures are exclusive of Housing Funds.

Infrastructure/Transportation Improvements

Traffic Fee Mitigation Obligation. In April 1996 the County Board of Supervisors adopted the Countywide Traffic Fee Program, requiring new development within the County to pay traffic impact fees. The fees collected through this program are to be used to fund transportation improvements that have been identified as being needed to serve future development. To offset the impact of the fee on new development and to provide an economic and accessibility incentive for industries to locate in the Project Area, the Agency agreed to pay down the fee by funding a portion of the transportation improvements. Approximately $2,000,000 of the estimated current $5,500,000 Sunset Industrial Project Area obligation is proposed to be funded by bond proceeds by FY 2006-07. The remaining portion of the obligation, which is subject to cost of living adjustments, will be funded through additional bond issues and/or other Sunset Industrial Project Area revenues or resources by 2015. See Table

3 for the $2,000,000 line item and Appendix B for copy of Sunset Benefit District Agency obligations.

General Infrastructure Projects. Funding will provide for studies and engineering designs that will consider various options to develop a number of needed infrastructure improvements in the Project Area. These projects include but are not limited to the extension of Foothills Boulevard starting at the City of Roseville border and extending it northwards to Athens Avenue, Industrial Avenue improvements, Sunset Boulevard UPRR Over-crossing structure, Highway 65 Interchange work at Sunset Boulevard, sewer system and storm drainage system enhancements, possible pipeline to remove methane gas, public safety improvements, and other transit facility improvements.

Depending on the outcome of the studies, the Agency would participate in the development or the construction of certain infrastructure projects. For FY 2005-06, $500,000 has been identified to provide some initial participation with approximately $3,000,000 being earmarked for FY 2006-07 for a major contribution, depending on the amount of anticipated bond proceeds during that fiscal year.

Business Retention/Expansion

The Agency will provide economic development assistance to interested private parties to improve their site and facilities, take out a loan to expand their business, develop business plans and marketing programs, assist in the predevelopment and permitting process to facilitate development and business attraction, improve business signage and median area landscaping and plantings, improve the development related data base and resources, and assist in certain toxic site identification and remediation programs. Agency staff anticipates that the majority of projects will be located along Highway 65, Industrial Avenue, and the industrial core area.

Business Retention/Expansion. $415,000 over 3 fiscal years.

Strategic/Implementation Planning & PBID Studies. $97,000 over 3 fiscal years.

Architecture/Engineering/Planning/Environmental/HAZMAT/Toxics Investigations. $533,000 over 4 fiscal years.

Marketing/Public Participation. $110,000 over 3 fiscal years.

Redevelopment Plan Goals that the Proposed FY 2002-2007 Projects Will Address:

- The elimination and prevention of the spread of blight and deterioration, and the conservation, rehabilitation, and redevelopment of the Project Area in accord with the General Plan, the Redevelopment Plan, the Zoning Ordinance, the SIA Plan, and other applicable plans and laws.

- The elimination or amelioration of certain environmental deficiencies, including substandard vehicular circulation systems; inadequate water, sewer, and storm drainage system; insufficient off-street parking; and other similar public improvement, facility, and utility deficiencies that adversely affect the Project Area.

- The retention of as many existing businesses and industries as possible by means of redevelopment and rehabilitation activities and by encouraging and assisting the cooperation and participation of owners, businesses, and public agencies in the revitalization of the Project Area.

- To expand the retail component of the community to provide for the diversification of offerings to encourage retail uses as a draw to new shoppers.

- The creation and development of local job opportunities and the preservation of the community's existing employment base.

- The encouragement of investment by the private sector in the development and redevelopment of the Project Area by eliminating impediments to such development and redevelopment.

- To develop a "Redevelopment Zone District" that requires specific development standards to be met rather than specific conditions imposed by a conditional use permit or master application permit.

- The increase in sales and use taxes; business license taxes, and other fees, taxes, and revenues to the County.

- To eliminate blight through redevelopment activities.

- Enrichment of architectural and design elements to improve the character and quality of development within the commercial, office, and industrial areas.

- To improve the seismic safety of structures and toxic remediation of sites in the Project Area to ensure the health and safety of residents and others.

- To improve public parking, other public facilities, services, including, but not limited to, utility facilities, lighting, public safety, and public transportation.

Conditions of Blight the Above Projects Will Address:

- Factors Limiting the Economically Viable Use/Capacity of Lots/Buildings
- Depreciated/Stagnant Property Values; Impaired Investments (Declining Retail Sales Taxes).
- Abnormally High Business Vacancies/Low Lease Rates.
- Subdivided Lots of Irregular Shape/Size Under Multiple Ownership, obsolete lot width, and depth.
- Public improvement deficiencies that contribute to physical and economic blight such as inadequate highways, streets, and intersections; inadequate capacity; deteriorated paving, missing curbs and gutters; lack of sidewalks, street trees and other pedestrian amenities; and inadequate sewer and storm drainage systems.

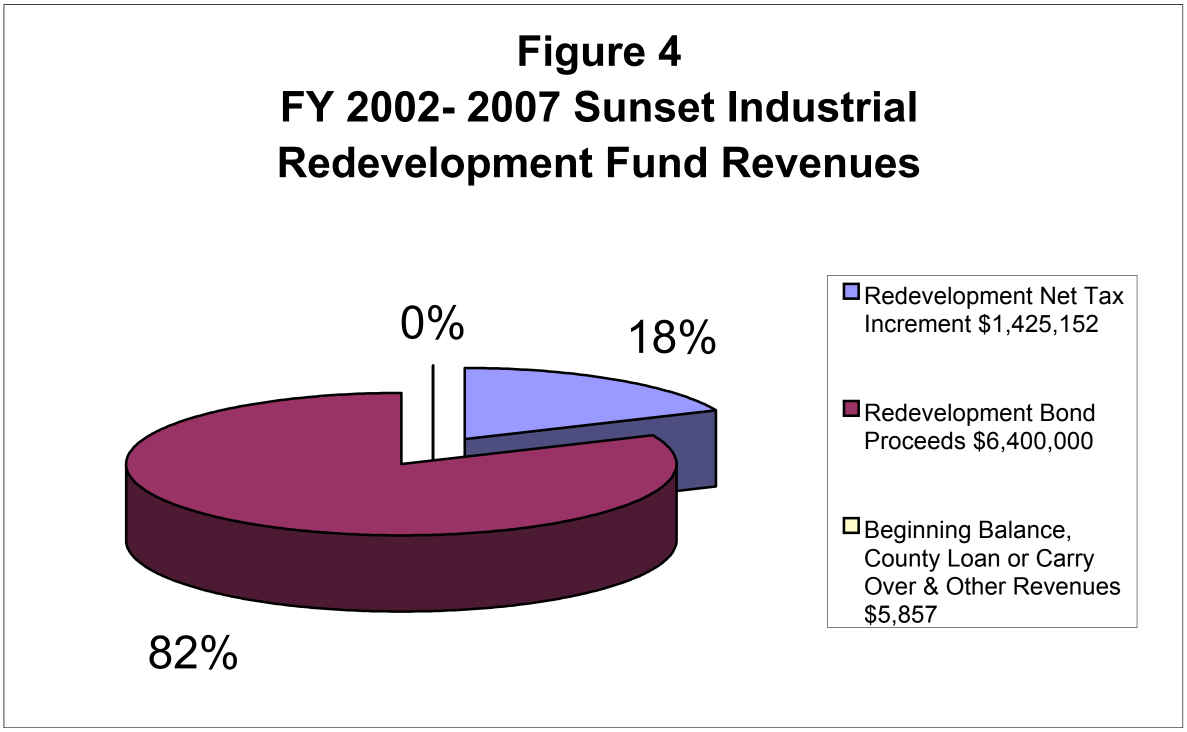


Figure 4
FY 2002- 2007 Sunset Industrial
Redevelopment Fund Revenues
0%
18%
82%
Redevelopment Net Tax Increment $1,425,152
Redevelopment Bond Proceeds $6,400,000
Beginning Balance, County Loan or Carry Over & Other Revenues $5,857

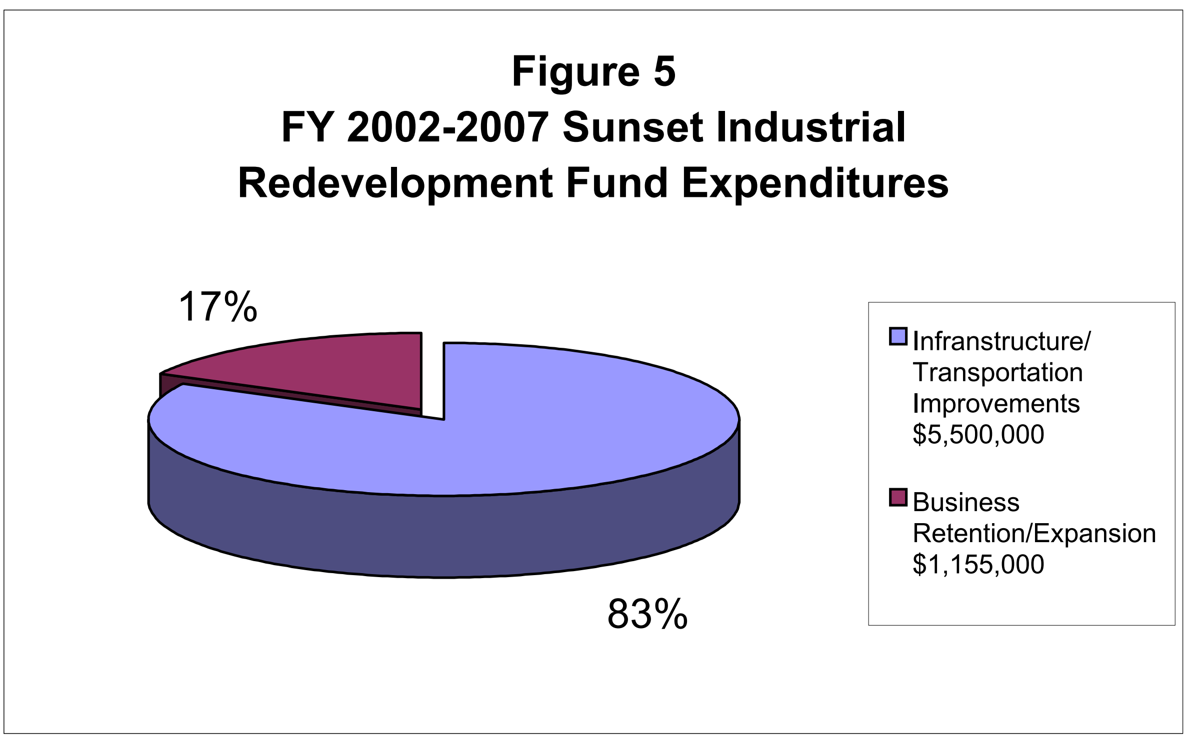


Figure 5
FY 2002-2007 Sunset Industrial
Redevelopment Fund Expenditures
17%
83%
Infrastructure/ Transportation Improvements $5,500,000
Business Retention/Expansion $1,155,000

V. Five-Year Affordable Housing/Workforce Housing Implementation Strategy and Housing Production Plan

The Five-Year Affordable Housing/Workforce Housing Implementation Strategy and Housing Production Plan ("Housing Strategy") delineates both the affordable housing production and replacement housing needs of the Agency over a five-year, ten-year, and life of the Redevelopment Plan planning period. Since both requirements require housing within the project area and there are no houses within the Project Area nor is there any land zoned residentially or permitted within the area, the Housing Set-Aside funds will be used entirely outside of the Project area. The Agency will continue to implement various housing programs to ensure that affordable units become available in the County, particularly in the areas of Sheridan, unincorporated Lincoln, Penryn, and Foresthill, and in conjunction with the housing strategies for the other redevelopment projects.

The Agency does not have a housing obligation in the Project Area except for the use of Low to Moderate-Income Housing Set-Aside funds to assist in the production of low and moderate-income housing.

Legal Requirements for Housing Production Plans

Pursuant to the requirements of Section 33413(b)(4) and 33490(a)(2) and (3) of the CRL, this plan sets forth the Agency's program, the Housing Strategy, for ensuring that the appropriate number of very low, low, and moderate-income housing units will be produced as a result of new construction or substantial rehabilitation.

To address the problems that arose from the redevelopment of low and moderate-income housing, the state legislature enacted a series of changes to the CRL that require agencies to undertake activities that will assist in the production of low and moderate-income housing.

The CRL (*H&S Code Sections 33000 et. seq.*) states that one of the fundamental purposes of redevelopment is to improve the supply of low and moderate-income housing in the community. The CRL requirements are specific to the year in which the Project Areas were adopted. The requirements are as follows:

- In a redevelopment project area adopted or amended on or after January 1, 1976, a fixed percentage of all housing constructed in the project area must be affordable to low and moderate-income households (***the inclusionary rule,*** *Section 33413(b)*).

  No housing has been constructed in the Project Area and none are planned. The ***inclusionary rule*** does not apply.

- Redevelopment agencies must replace low and moderate-income housing that is removed as a result of redevelopment activities in a project area or amended project area adopted on or after January 1, 1976 (***the replacement rule,*** *Section 33413(a)*). The replacement rule applies to pre-1976 projects as of January 1, 1996.

  There are no housing units in the Project Area. The ***replacement rule*** does not apply.

- No less than 20 percent of tax increment revenue must be expended to increase, improve, and preserve the supply of low and moderate-income housing in the community (***the set-aside rule,*** *Section 33334.2*) in a project area established on or after January 1, 1977. Project areas adopted prior to 1977 were able to defer set-aside contributions if certain findings were made prior to January 1, 1986. As of July 1, 1996, all project areas, regardless of their adoption date, must meet the set-aside requirement.

  The ***set-aside rule*** does apply to the Project Area. The Housing Strategy will address how the funds will be utilized to improve the supply of low and moderate-income housing in the County.

Contents of the Housing Strategy

This Housing Strategy has been developed to accomplish the following goals:

- To forecast the estimated number of dwelling units to be developed or substantially rehabilitated by the Agency between FY 2002-03 and FY 2006-07, inclusive;

- To project the availability of County/Agency and other revenue sources for funding affordable housing production;

- To identify implementation policies/programs and potential sites for affordable housing development;
- To establish a timeline for implementing this Housing Strategy to ensure that the requirements of Section 33413 are met during FY 2002-03 through FY 2006-07 and for a 10 year period; and
- To review the consistency of Agency affordable housing goals, objectives, and programs pursuant to the County General Plan Housing Element ("Housing Element").

Existing and Projected Housing Needs

On September 20, 2001, the Sacramento Area Council of Governments (SACOG") adopted the Regional Housing Needs Plan ("RHNP") for the region that includes Placer County. The RHNP allocates to cities and counties their "fair share," shown on Table 4, of the regions' projected housing needs by household income group over a five-year planning period linked to each jurisdiction's housing element.

The RHNP identifies and quantifies existing needs for each jurisdiction and does not allocate to any jurisdiction more total units than the currently plan to accommodate according to their respective housing elements. Each jurisdiction's housing element addresses the current and future adequacy of housing for all income groups and how it would implement programs and projects to achieve the goal of providing safe and decent housing for all population and income groups.

To achieve this goal, the County and Agency has to plan and direct its redevelopment program and use of its housing set-aside funds to those groups with the greatest need in terms of income. The following housing characteristics serve as an indication of where this need is and provides program/project selection criteria for the use of the housing set-aside funds.

Placer County Housing Market

As of July 1, 2001, the California State Department of Finance ranked Placer County as the top of the ten fastest growing counties based on percentage change. The population was estimated at 261,500, a percentage change from the previous year of 5.06%. According to the November 2001 "Placer County Economic and Demographic Profile 2001" prepared by the Sacramento Regional Research Institute, Placer County's attractions continues to be employment, housing and the superior quality of life, all resulting in net domestic immigration. The 2000 Census documents Placer County's population growth from the 1990 Census at 44%. SACOG projects the County's population, excluding the Tahoe Basin, to reach 415,000 by 2025.

To accommodate the population growth for the period of 2000-2007, SACOG has projected Placer County and the area of unincorporated portion of the County as having the following new dwelling unit needs by income categories:

Table 4

Fair Share Housing Allocation

	2000-2007		ADDITIONAL DWELLING UNITS				
	2000 Units	2007 Units	VL Units	Low	Moderate	Above Moderate	Total Units
Placer County	110,057	142,570	8,181	5,932	6,567	11,833	32,513
Unincorp.	49,240	57,881	2,264	1,801	1,797	2,779	8,641
	PERCENTAGE INCREASE OF UNITS FROM YR 2000						
Placer County	N/A	29.50%	25.20%	18.30%	20.20%	36.40%	
Unincorp.	N/A	17.50%	26.20%	20.90%	20.80%	32.20%	

Source: SACOG RHNA Plan 2001

Between the 1990 Census and the 2000 Census, Placer County's population grew from 172,796 to 248,399, a 44% increase, and its housing stock grew from 77,879 to 107,302 units, a 37.8% increase. The total number of persons per household increased during this period from an average of 2.22 persons per household to 2.31 per household, a 4.3% increase. While this growth was occurring, a review of the housing starts for Placer County indicate that almost all the construction of a new unit occurred in the single-family dwelling category.

Table 5

PLACER COUNTY HOUSING STARTS

	1990-1999			
	Single-Family	2-4 Units	5+ Units	Total
Placer County	26,175	101	3,927	30,203
Unincorp.	6,765	40	72	6,877

Source: Placer County Building Department 2002

The 1990 Census and 2000 Census data used in this report has been provided to the public in certain various geographic levels. Information for Placer County is at the County level. The County level that includes the geographic area of the Project Area is comprised of 51 census tracts.

Rental Housing

The great majority of housing in Placer County is ownership housing. Few apartments are located in the area and fewer units are available for rent. Information provided by local real estate companies and rental agents, a review of the classified section of the Auburn Journal, research through several websites with access to the Multiple Listing Services (MLS) data, the Sacramento Bee, and the Placer County Association of Realtors ("PCAR") indicate January 2002 rents range from:

Table 6
Market Rents

Unit	Number of Listings	Lower Range	Upper Range
1BR/1BATH	NA	$650	$840
2 BR/1-2 Bath	NA	$645	$950
3BR/2-3BA	NA	$1,290	$1,450
Townhouse/Duplex	NA	$695	$1,195
Single-Family Homes	NA	$950	$1,925
Mobile Home	NA	$625	$625

Sources:
1) Placer County Association of Realtors January 2002
2) Auburn Journal January 2002
3) Web Multiple List Service (MLS) January 2002
4) Sacramento Bee Website January 2002
5) Roseville, Rocklin, Loomis & Lincoln Area, January 2002

All sources indicate a very tight rent and leasing market in all types of rents with vacancies below 3%. The Placer County 2000 Census shows the homeowner vacancy rate at 1.2% and the rental vacancy rate at 6.4%, which includes a large number of houses that are used seasonally, recreationally and occasionally in the Tahoe Basin.

Ownership Housing

For 2001, the median price for a single-family house in Placer County was $249,000, according to statistics provided by Placer County Association of Realtors ("PCAR"). For January 2002, it was $258,000, a 3.6% increase. Over 53% of the units were sold in 60 days or less indicating a strong market. A majority of the units were sold in the price range of $200,000 to $399,999.

Table 7
SINGLE-FAMILY HOME SALES
January 2002

Area	Units Sold	Range	Average	Median
Placer County	242	N/A	$302,355	$250,000
Roseville, Rocklin, Loomis, & Lincoln Areas (Weighted Averages/Medians)	166	N/A	$251,995	$255,160

Source: Placer County Association of Realtors January 2002

Housing Affordability

As of 2002, the median income for a family of four in Placer County was $57,300. Assuming that the potential homebuyer within each Affordable Housing income group has sufficient credit, down payment (10%) and closing costs (3%), and maintains affordable housing expenses (no more than 30% of gross income including mortgage/rent, utility, and taxes), and estimate of the maximum affordable housing costs and home prices can be determined.

Housing affordability is dependent upon income and housing costs. The California State Department of Housing and Community Development (HCD) establishes the following income categories based on the County's median family income.

- Very-Low Income household (31-50% MFI)
- Low-Income household (51-80% MFI)
- Moderate-Income household (81-120% MFI)

Consequently, Table 8 illustrates the affordable housing cost by income group:

Table 8

Affordable Housing Costs by Income Categories

Income Group	Income Levels: Annual Income	Income Levels: Affordable Payment	Max Affordable Price: Home Costs	Max Affordable Price: Rental
Very Low				
One Person	$20,050	$501	$34,000	$501
Small Family	$25,800	$644	$47,000	$644
Large Family	$30,950	$774	$58,000	$774
Low				
One Person	$32,100	$702	$80,000	$602
Small Family	$41,250	$902	$100,000	$773
Large Family	$49,500	$1,083	$120,000	$929
Moderate				
One Person	$48,150	$1,287	$140,000	$1,103
Small Family	$61,900	$1,654	$180,000	$1,418
Large Family	$74,250	$1,986	$215,000	$1,702

Notes:

1. U.S. Census: Small Family = 3 persons; Large Family = 5 or more persons
2. Monthly affordable rent, including utility allowance, based on payments of no more than 30% of household income
3. Property taxes and insurance based on averages for the area and included in payment
4. Calculation of affordable home sale prices based on a down payment of 10%, annual interest rate of 8%, 30-year mortgage, and monthly payment of gross household income of no more than 25% to 30%. Home costs calculations rounded to thousands.

Source:

California Redevelopment Law and California State Department of Housing & Community Development income statistics for 2002.

Information from local and regional real estate firms show that most of the housing being sold in the general area are in the $200,000 to $399,999 price range, resulting in only the moderate-income, large family able to afford a market rate home. If the January 2002 median home price of $258,000 is considered, none of the very low, low, or moderate-income groups are able to afford a home in Placer County. Additional augmentation funding programs must be made available, such as first-time homebuyer programs, Fannie Mae, FHA, CDBG Program, HOME, and other state or federal programs, for these very low to low-income groups to purchase a home.

Taking into consideration that 2-bedroom apartment rents range from $645/month to $950/month, the small family low-income category group can afford the bottom range of the rental costs. However, there are a very few of these units available at this rental price.

Age and Housing Stock Condition

The age of housing is often an indicator of housing condition. Many federal and state programs use age of housing as one factor to determine housing rehabilitation needs. As shown in Table 9, over 27% of the housing stock in Placer County was built in 1969 or earlier and is over 30 years old. Housing structures thirty years or more of age is typically the accepted age standard for housing units needing major rehabilitation, particularly roofing, plumbing, A/C/heating and wiring improvements.

Table 9

Age of Housing Stock in Placer County

Year Unit Built	Number	% of Total
1990-2000	29,423	27.42%
1985-1989	17,629	16.43%
1980-1984	10,083	9.40%
1970-1979	21,152	19.71%
1960-1969	11,418	10.64%
1950-1959	7,525	7.01%
Prior to 1950	10,072	9.39%
Total	107,302	100.00%

Sources: 1. U.S. Census, 1990 and 2000
2. Placer County Building Department

Other Indicators of Housing Affordability

Other indicators of housing affordability, generally Census data categories identifying Overcrowding, Low-Income, Poverty and Public Assistance Groups, Elderly and Senior Citizens, Disabled, Large Household Groups (5+ persons), Female Head of Household Groups, and Homeless, will be addressed in the update of the County Housing Element. Currently, the draft of the new Housing Element is undergoing review and comment. Agency staff anticipates that the County Board of Supervisors will consider the adoption of the Housing Element in FY 2002-03.

Any new information generated by the new Housing Element that would impact the Implementation Strategy will be addressed during the

Implementation Strategy mid-term public hearing, to be held between the second and third year of the five-year period.

Affordable Housing Production Needs

The following discussion contains all of the required components pursuant to Section 33490 (a)(2) of the CRL:

- **The amount available in the Low and Moderate-Income Housing Fund and the estimated amounts which will be deposited in the Low and Moderate-Income Housing Fund during each of the next five years.**

  As of July 1, 2001, the beginning balance in the Low and Moderate Income Housing Fund was $5,996. Over the next five years, the deposits to the Low and Moderate-Income Housing Fund are estimated at $22,596 in FY 2002-03, $76,718 in FY 2003-04, $155,351 in FY 2004-05, $190,356 in FY 2005-06, and $235,264 in FY 2006-07 along with $2,200,000 in bond proceeds.

Table 10

Housing Tax Increment Set-Aside Projections

Project Area	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	Total
Sunset Industrial	$22,596	$76,718	$155,351	$190,356	$235,264	$680,285

Source: Seifel Consulting, Inc., March 2002; Projections do not include administration costs or bond debt service

The aggregate amount of tax increment deposited into the Agency's Low and Moderate-Income Housing Set-Aside Fund during the preceding four fiscal years (FY 1997-98 – FY 2000-01) was $86,607. At the beginning of FY 2001/2002, the Agency's Project Area Housing Fund balance was $5,996, indicating the Agency has no excess surplus accumulated as defined by the CRL.

- **A housing program with estimates of the number of new, rehabilitated, or price-restricted units to be assisted during each of the five years and estimates of the expenditures of moneys from the Low and Moderate-Income Housing Fund during each of the next five years.**

The Agency anticipates providing assistance for the construction or rehabilitation of 130 residential units outside the Project Area over the next five years and additional 200-assisted units through the next five years and additional 200-assisted units to the end of the Redevelopment Plan.

The Agency's housing assistance program is provided on the following table:

Table 11

Sunset Industrial Redevelopment Project
Affordable Housing/Workforce Housing Assistance Goals

Five Year Assistance Goals

Fiscal Year	Program	Household Assisted	Set-Aside Expenditures
2002/2003	Multi-Family Rental New Construction	0	0
	Housing Rehabilitation Program	0	0
	First Time Home Buyer Program	2	20,000
	Total FY 2002/2003	**2**	**$20,000**
2003/2004	Multi-Family Rental New Construction	0	0
	Housing Rehabilitation Program	3	38,000
	First Time Home Buyer Program	2	20,000
	Total FY 2003/2004	**5**	**$58,000**
2004/2005	Multi-Family Rental New Construction	0	0
	Housing Rehabilitation Program	7	76,000
	First Time Home Buyer Program	5	50,000
	Total FY 2004/2005	**12**	**$126,000**
2005/2006	Multi-Family Rental New Construction	6	60,000
	Housing Rehabilitation Program	10	50,000
	First Time Home Buyer Program	5	50,000
	Total FY 2005/2006	**21**	**$160,000**
2006/2007	Multi-Family Rental New Construction	60	1,200,000
	Housing Rehabilitation Program	20	500,000
	First Time Home Buyer Program	10	500,000
	Total FY 2006/2007	**90**	**$2,200,000**
Total	**Total FY 2002/2007**	**130**	**$2,564,000**

Ten Year Assistance Goals and to End of Plan

2002/2007	**Five Year Assistance Programs**	**130**	**$2,564,000**
2007/2012	**Ten Year Assistance Programs**	**200**	**NA**
2012/2027	**To End of Plan**	**200**	**NA**
Total	**Total FY 2002/2027**	**530**	**NA**

Note: All assisted units are outside of the Sunset Industrial Project.
Source: Placer County Redevelopment Agency Staff, May 2002

- **An estimate of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased within one or more project areas, both over the life of the Redevelopment Plan and during the next ten years.**

  As stated above, the Agency anticipates the construction or rehabilitation of 130 units over the next five years, an additional 200 units assisted over the additional five year period, and 200 units over the remaining life of the Redevelopment Plan, for a total of 530 units beginning in FY 2002-03 through FY 2026-27.

- **An estimate of the number of units of very low, low and moderate-income households required to be developed within the Project Area in order to meet the requirements of Section 33413(b)(2) of the CRL, both over the life of the Redevelopment Plan and during the next ten years.**

  As mentioned above, the Agency anticipates the construction or rehabilitation of 530 residential units outside of the Project Area, both over the next five years and over the life of the Redevelopment Plan.

- **The number of units of very low, low, and moderate-income households which have been developed within the Project Area which meet the requirements of Section 33413(b)(2) of the CRL.**

  No units have been developed in the Project Area.

- **An estimate of the number of Agency developed residential units which will be developed during the next five years, if any, which will be governed by Section 33413(b)(1).**

  The Agency does not anticipate directly developing any residential units during the next five years, nor does it anticipate rehabilitating any units. Therefore, the requirements of this section do not apply to the Project Area.

- **An estimate of the number of Agency developed units for very low, low, and moderate income households which will be developed by the Agency during the next five years to meet the requirements of Section 33413(b)(1) of the CRL.**

  The Agency does not anticipate developing any residential units during the next five years. Therefore, the requirements of this section do not apply to the Project Area.

Replacement Housing Production Needs

The requirements of this section do not apply to the Project Area, as this Implementation Strategy does not propose any projects that will result in the destruction or removal of dwelling units. However, in event that this occurs, the Agency will comply with the requirements of Section 33413(a) of the CRL.

Estimated Housing Program Resources

One of the Agency's primary sources of revenues for housing program implementation is the annual 20% housing set-aside deposits. The CRL requires that not less than 20% of all tax increment revenue allocated to the Agency must be used to increase, improve, and preserve the community's supply of housing available, at affordable housing cost, to persons and families of very low, low, and moderate- incomes.

As set forth by Section 33333.4 of the CRL, it is stated policy of the California State Legislature that, "...it shall be the policy of each Agency to expend, over the duration of the redevelopment plan, the moneys in the low and moderate-income housing fund to assist housing for persons of low and very low-income in at least the same proportion as the total number of housing units needed for those income groups which are not being provided by other governmental programs bears to the total number of units needed for persons of moderate, low, and very low-income within the community."

Table 3 presents projected housing fund revenues that may be available for housing production activities over the duration of the current planning period. The forecast of revenues is based on a review of new development; property sales, outstanding assessment appeals, and a conservative 2% growth rate in Project Area secured assessed values beginning in fiscal year 2002-03. Available funds are net of current planning commitments, including existing debt to the County, bond debt service, and administrative costs.

In total, the Agency could accumulate approximately $526,574 to fund housing programs by FY 2006-07. With the expected bond issue also in FY 2006-07, the accumulation of project income, tax increment and bond proceeds would change this amount to approximately $2,726,574. As described in the following section, these funds are proposed for implementation initiatives in meeting the Agency's set-aside requirements for the current planning period.

Other funding sources are available from local, State, Federal and non-profit organizations and when combined or leveraged with redevelopment housing set-side funds, the total resources may allow a certain infeasible affordable housing project become financially feasible. The County receives CDBG funding directly from the State of California CDBG and it receives HOME funds directly from the U.S. Department of Housing and Urban Development ("HUD"). Both programs have key components to assist low-income households. Depending on which programs, certain funds can be used for new construction of housing, acquisition, rehabilitation loans and grants, homebuyer assistance, and some housing/planning studies while the other program would include assistance to low-income neighborhoods, economic development, homeless assistance, public improvements, and public services.

Proposed Implementation Initiatives and Program/Project Selection Criteria

The Agency has itemized potential affordable housing programs intended to address its use of its housing set-aside funds over the current planning period. At this juncture, the Agency is still formulating specific housing projects so estimates of timing and scale are preliminary.

County Housing Element. The County Housing Element contains adopted, affordable housing goals and policies that provide criteria to select programs and projects to address the County's housing needs. The Housing Element is currently in the process of being updated and the final adopted document will contain updated goals and policies for the Agency to assist in providing housing opportunities to low to moderate-income households.

Placer County Affordable Housing Strategy. In April of 1999, The County Board of Supervisors adopted the Placer County Affordable Housing Strategy. This strategy outlined goals, policies, and objectives to address the affordable housing needs of the County. The Affordable Housing Strategy will continue to provide the guidance and framework to implement this Housing Strategy. The housing programs should focus upon:

- The preservation of the existing housing stock through the rehabilitation of substandard housing.
- The delivery of first-time home ownership programs that target low and moderate-income families.
- Assisting in the production of new rental housing within target communities.

Anticipated Housing Projects and Programs

The CRL required redevelopment agencies to set aside in a separate Low and Moderate Income Housing Fund (the "Housing Fund") at least 20 percent of all tax increment revenue generated from its project areas for the purpose of increasing, improving and preserving the community's supply of very low, low and moderate-income housing.

The Agency will commit 20 percent or more of its gross tax increment revenues to its Housing Fund, which includes beginning balances and bond proceeds, projected to be about $2,726,574 from the Project Area. Figure 6 represents the anticipated Housing Fund Revenues and Figure 7 indicates the Housing Fund Expenditures. Both figures are exclusive of Redevelopment Funds. These funds will be utilized in order to provide loans to very low, low, and moderate-income families who are first time buyers, developers of new construction multifamily housing and for housing rehabilitation, all entirely outside of the Project Area and in fulfillment of the goals and policies of the County's Housing Element and Affordable Housing Strategy.

Housing Programs and Projects

Multifamily Rental New Development. The Agency staff will identify new multifamily housing projects in the County, targeting the areas of Sheridan, unincorporated Lincoln, Penryn, and Foresthill for the construction of approximately 66 affordable rental units over the five-year period. The developments would likely be in three different developments with approximately 25 units in each complex. Most of the anticipated $1,260,000 projected budget funds will come from bond proceeds.

Housing Rehabilitation Program. The County-wide Housing Rehabilitation Loan Program provides low interest loans to lower income households for rehabilitation activities. The maximum loan amount is $60,000 per owner-occupied or rental housing unit and $5,000 for mobile home rehabilitation. Priority is given to substantial rehabilitation projects and to comply with code standards. The Program, with $664,000 in anticipated funded for 4 fiscal years, is for applicants at or below 80% of the County median income, and will be targeted towards the communities of Sheridan, unincorporated Lincoln, Penryn, and Foresthill.

This program includes a "HandyPerson Program" that provides up to $1,000 in grant funds per household for health and safety repairs and code deficiencies for low-income seniors, 62 and older, who are living on a fixed income and who live in the unincorporated areas of the County. Disabled persons may also apply to the program, which is currently funded by CDBG program income funds.

First Time Homebuyers Program. The County and the Agency has made an initial loan pool of $620,000 available to make loans to qualified first time homebuyers. Mercy Housing Corporation provides the program servicing, which provides down payment assistance in a loan amount to a maximum of $60,000 for a home that cannot exceed $253,650 in purchase price. The program or a similar program will be funded with housing set-aside funds for 5 fiscal years in an amount of $640,000.

If available, the above programs will be augmented by CDBG funds, HOME funds, and other State and Federal grants and loan programs.

Other Implementation Initiatives or Program Continuation

Low Cost Improvement Loans for Mobile Home Owners. This program involves code and safety improvements including structural improvements, roofing, paving, carports, painting, etc. The goal of this program is to maintain and increase levels of homeownership among low and moderate-income households and to revitalize existing neighborhoods in Placer County. The program is funded through CDBG funds.

Land Assemblage and Disposition. The County and the Agency will continue to play an active role in the provision of quality, affordable housing through use of land write-downs, direct financial assistance, and/or regulatory incentives. The Agency will utilize set-aside, HOME, CDBG, and other funds to assist in acquiring and assembling property and potentially writing down the cost of land for the development of new housing as the opportunities arise. As part of the assemblage program, the Agency may also assist in subsidizing on-site and off-site improvements.

Direct Financial Assistance. In addition to land assemblage and write-downs and depending on availability of funds, the Agency provides direct financial assistance in support of affordable housing development.

Preserve Affordability of At-Risk Units. In the April 1999 Placer County Affordable Housing Strategy report, there were 436 units, countywide, of which 112 units were in the unincorporated area, of assisted multi-family housing at risk of converting to market rate by the middle of 2001. The Agency has several options available to assure that the units in the County remain affordable, including:

1. Providing financial incentives in the form of equity/rehabilitation loans in exchange for affordability covenants on the units. This has already been done on one 80-unit complex adjacent to the North Auburn Project Area;

2. Transferring ownership to a non-profit corporation;

3. Constructing new affordable housing units to replace the lost units;

4. Purchase the affordability covenants; and/or

5. Work with the Placer County Housing Authority and property owners to develop a strategy to maintain affordability controls on assisted units in the County.

Mixed-Use Development Program. The current Housing Element encourages mixed-use types of development that combines housing with compatible non-housing uses. The Agency would use housing set-aside funds to reduce fees, provide financing, and land write-downs to qualified projects.

Fee Waiver Program. The Agency has used housing set-aside funds to pay down fees or pay for fees for very low-income to low-income housing developments. The projects must have at least 10% of the units affordable to very low-income households or at least 20% of the units affordable to low-income households.

Continued Implementation of the Affordable Housing Strategy and Goals and Policies of the Housing Element. The Affordable Housing Strategy, adopted in April 1999 by the County, outlines goals, policies, and objectives to address the affordable housing needs of the County. The Affordable Housing Strategy and Housing Element will continue to provide the guidance and framework to implement this Housing Strategy.

Plan Objectives the Above Programs and Projects Will Address

The achievement of an environment reflecting a high level of concern for architectural, landscape, and urban design and land use principals appropriate for attainment for the goals of the Redevelopment Plan.

The encouragement of investment by the private sector in the development and redevelopment of the Project Area by eliminating impediments to such development and redevelopment.

Conditions of Blight the Project Will Address

Not applicable; provides affordable housing pursuant to the CRL.

Potential Sites for Future Affordable Housing

Potential sites for affordable housing include property zoned for residential uses throughout the County. During the planning period, the Agency will work with private and nonprofit developers to find additional sites suitable for cost efficient development and rehabilitation of affordable housing.

Five-Year Housing Assistance Goals Implementation Timeline

Table 11 shows an estimated annual production timeline for the production of affordable dwelling units over the five-year planning period. Because these programs are still in their formative stage, specific details of the type and number or units created are not yet certain.

Completion of the programs proposed for the planning period would result in the Agency generating 130 affordable housing units.

Housing Unit Estimates

Section 33490(2)(A) of the CRL requires that this Strategy address housing revenues and expenditures, as well as any applicable housing production activities over the next five years. These elements are included in the Agency's Strategy Budget Forecast as Table 3.

Additionally, Section 33490(2)(B) requires various estimates of housing unit production over the time frame of the next five years, next ten years, and over the duration of the Redevelopment Plan. These estimates are shown on Table 11 and are:

130 Assisted Units - FY 2002-2007

400 Assisted Units - FY 2007-2027, end of Redevelopment Plan

Housing Element Consistency

Because this Production Plan focuses on providing housing for lower income households who are generally the most difficult segment of the community for whom to provide housing, it is clearly consistent with the Housing Element's goal to provide housing for all economic groups within the County. Both this Production Plan and the Housing Element state there is a definite need to assure an adequate supply of housing for the lower income segments of the County.

A major focal point of the goals, policies, and objectives of the Housing Element is to provide housing for all economic segments of the County, especially lower income families. Because the major goal of this

Production Plan is also to provide housing for these lower income households, and the proposed plans and programs for improving the supply of affordable housing in the County presented in this Production Plan are similar to plans and policies of the Housing Element, there is clearly consistency between the Production Plan and the Housing Element.

The current Housing Element is being updated and revised. It is anticipated that this process would be completed in FY 2002-03. The Agency would take into consideration the updated and revised Housing Element when it considers its mid-term review of the Implementation Strategy.

Figure 6
FY 2002- 2007 Sunset Industrial Housing Fund Revenues

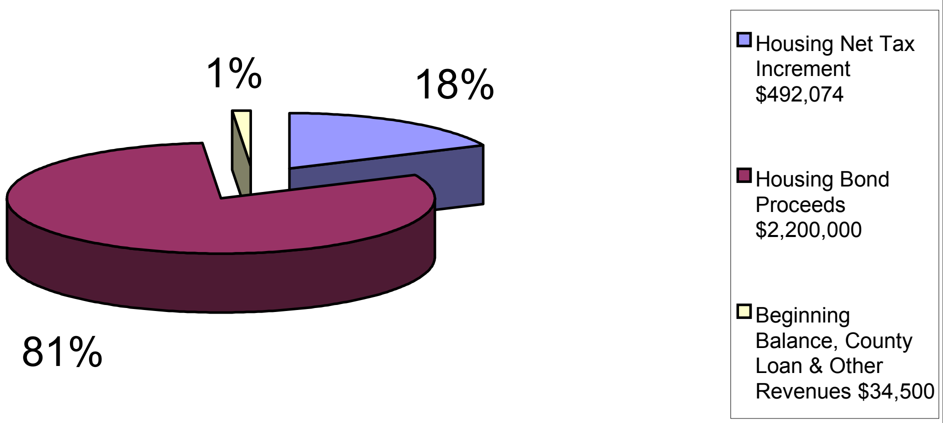
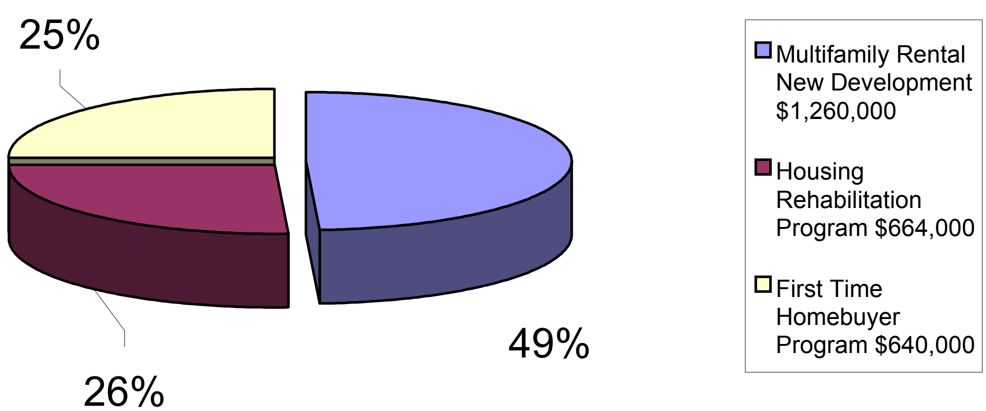


Figure 7
FY 2003-2007 Sunset Industrial Housing Fund Expenditures



Appendix

A

Agency Financial Consultant Report

Appendix

B

Sunset Benefit District Agency Traffic Fee Mitigation Obligation